may be a broken link in the ethical chain. Let the rightful owner of capital have its fruits: but who is the rightful owner? If one answers: the commonwealth, the productivity theory leads, for him, to socialism. In short, there is no ground for the author's assumption that the logical programme of the productivity theorist is government regulation. He will advocate *laissez-faire,* government regulation, or socialism according to his temperament and according to his judgment of the actual economic tendencies of his times.

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State Regulation of Labor and Labor Disputes in New Zealand: A Description and a Criticism. By HENRY BROADHEAD, Secretary to the Canterbury Employers' Association, and for some years Member of the Canterbury Conciliation Board. Christchurch and London: Whitcombe & Tombs, 1908. Pp. 230.

Although Mr. Broadhead confessedly discusses compulsory arbitration from the employers' point of view, his book presents an eminently fair criticism and is a most valuable contribution to the literature of the subject. He gives first a brief historical introduction, followed by an analysis of the Industrial Conciliation and Arbitration Acts Compilation Act of 1905. He clearly shows that conciliation has not played the important part designed for it by Mr. Reeves, who thought that nearly all disputes would be settled by conciliation and that the Arbitration Court would very seldom be brought into requisition. By mutual consent employers and workers have largely ignored the boards of conciliation, and, merely filing a reference, have proceeded to the Arbitration Court for final decision. From the year 1894 to December 31, 1905, 71 cases were settled by the boards and 263 by the Arbitration Court.

Another important point brought out by Mr. Broadhead is the fact that arbitration has multiplied disputes instead of reducing their number. A dispute, by Mr. Justice Cooper's ruling, is not "limited to a dispute having as one of its essentials the condition of actual or probable strife. . . . . It is only necessary that there should be a *difference* concerning the conditions of employment." The purpose of the act, as Mr. John MacGregor has often shown,

was "to provide means by which strikes and lockouts, and disputes likely to result in such, might be prevented or settled," instead of which it is constantly used for the purpose of creating disputes. As a matter of fact, instead of the mere arbitration of disputes, New Zealand has secured a system of governmental regulation of wages and conditions of labor in general.

Mr. Broadhead shows in a very interesting way how disputes originate, how they are brought before the court, how evidence is presented by both sides and how the awards are enforced. Breaches of award are punishable by fines. From March 31, 1901, to March 31, 1906, there were 782 cases in which employers were brought before the court for breach of award. In 594 of these cases conviction was secured. In the same time there were only 105 cases in which workers were cited, in 82 of which conviction was secured. From 1901 to 1904 there were only 4 cases in which workers were cited for breach of award. As a rule nobody cares to prosecute workers, while the secretaries of unions make a business of prosecuting employers. When a union secures the conviction of an employer it receives the fine imposed and the expenses incurred in taking proceedings. In a number of cases employers, rather than be brought before the court, have paid money to the unions.

The awards have to do chiefly with the minimum wage, the incompetent worker, preference to unionists, apprentices, and holidays. As in other countries, the minimum wage tends to become the maximum wage, thus injuring the efficient worker. The incompetent worker, also, is injured by not being allowed to work under the scale, except he obtain a permit from the union, and these permits are hard to get. In many cases the court has granted preference to unionists, forbidding the employment of non-unionists where satisfactory union labor can be obtained. Frequently awards have been made limiting the number of apprentices in certain trades. Holidays are frequent in New Zealand and the Saturday half-holiday is almost universal. The court has done much to abolish sweating.

The chapter on "Dissatisfaction with the Court and Its Awards" is particularly interesting. The employers have never been well satisfied, largely because of constant interference with their business. Of late years manufacturers have found it hard to compete with imported goods and contend that the tariff should be raised or that the court should refuse to grant further concessions to

workers. On the other hand, the workers themselves have become more and more dissatisfied with the awards, claiming that the cost of living has increased more than wages and that the court unfairly refuses to make profit-sharing the basis of awards. The dissatisfaction of the workers culminated in a series of strikes beginning with the strike of the tramway employees in Auckland, on November 14, 1906. Since that time there have been a number of strikes and the system of compulsory arbitration seems to be on the point of breaking down.

The Department of Labor, in attempting to enforce the law, has succeeded in displeasing both the employers and the workers. Mr. Broadhead accuses Mr. Edward Tregear, the secretary of labor, of "aggressive partisanship," and at the same time notes that Hon. J. A. Millar, the minister for labor, has given great offense to the labor party by trying to be fair to both sides. The workers were much dissatisfied with the awards of Justice Chapman, but Justice Sim, whose appointment they favored, has been even more displeasing to them. New Zealand has prospered since the act was passed, but, as Dr. Victor Clark has said:

> There is no more occasion to attribute the expanding commerce and manufacturing of the colony to labor legislation than there is to ascribe the rise and fall of the tides on our Atlantic coast to the Rivers and Harbor Bill.

On the other hand, there is reason to think that the Arbitration Act has injuriously affected business.

> It is commonly remarked among business men that industrial enterprise in New Zealand has been checked to a considerable extent by the labor laws of the country. It may be remarked, too, that hardly any new industry has been started for some years, and this notwithstanding that the condition of the colony has been eminently favorable for industrial enterprise.

Mr. Broadhead expresses well the opinions of a large class of moderately conservative business men in New Zealand, when he says, in his concluding words:

> In his *Self-Help* Samuel Smiles says that "whatever is done for men or classes, to a certain extent takes away the stimulus and necessity for themselves; and where men are subjected to over-guidance and over-government, the inevitable tendency is to render them comparatively helpless." We have in New Zealand seen what continual tinkering at legislation has produced, and those of our public men who are deeply interested in the material well-being of the people might now consider whether some means outside legislation should not be tried to bring about peace and contentment among the workers of our land.

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